

STATE OF COLORADO

DIVISION OF HOUSING

Kathi Williams, Director

STATE HOUSING BOARD MEETING
Centennial Building
1313 Sherman St., Denver, CO, Room 318
Tuesday, January 13, 2009



AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Theo Gregory
	Director's Comments	Kathi Williams

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	09-002	Delta Housing Authority Housing Rehabilitation Program	Bill Whaley & Jo Rosenquist
1:30 p.m.	09-015	Longs Peak Energy Conservation Housing Rehabilitation Program	Denise Selders & Jim Wilson

Approval Process

1:45 p.m.	09-002	09-015
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Other Business

2:00 p.m.	Codes Program Updated	Steve Bernia
2:15 p.m.	Consolidated Plan Discussion	Lynn Shine
2:30 p.m.	Policy Approvals	Teresa Duran

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5154 by January 12, 2009.

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

STATE HOUSING BOARD MINUTES
Colorado Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, December 9, 2008

BOARD MEMBERS PRESENT: Suzanne Anarde, Theo Gregory, Sally Hatcher, Jack Kelly, Gene Lucero, Mike Rosser and Karen Weitkunat

BOARD MEMBERS ABSENT: None.

DOH STAFF PRESENT: Kathi Williams, Teresa Duran, Rick Hanger, Autumn Gold, Ann Watts, Antoniette Estrada and Trang Van

CALL TO ORDER: The meeting was called to order by Theo Gregory at 2:00 p.m.

APPROVAL OF MINUTES: Minutes from the November meeting were approved.

DIRECTOR'S COMMENTS

Director Williams and Teresa Duran have been trying to work with the Inspector General for the CDBG funds that were deemed to have been used inappropriately. DOH proposed that General Fund money would be spent in non-entitlement areas and that amount of money that HUD felt DOH had spent improperly would be saved. DOH held back on spending those General Funds thinking that we would be doing the pay back as soon as possible. For any of us who went through the last recession with the State in 2002 and 2003, the General Fund dollars were cut to zero. DOH didn't want to be in a position to pay back funds in a budget year like next year where there may be no General Funds. We will probably be bringing you projects to start getting funded and to start spending those dollars with the hope that HUD will recognize it as an offset to our pay back for the CDBG dollars.

DOH submitted our Neighborhood Stabilization Plan (NSP) to HUD on December 1st. DOH brought in a contractor to help us and received a lot of good comments on the draft plan. For those who have not received a copy of the plan, it is posted on our website.

Last week the 3rd Quarter Foreclosure report for Colorado came out. There is good news and bad news. The good news is that we are at fewer foreclosures at this time than at this time last year. At the end of the 3rd Quarter of 2007, Colorado was at 19,000 foreclosures and this year we're at 16,000. We're certainly taking that as a positive sign. The bad news is that if in fact the unemployment rate does rise, we expect to see an increase in foreclosures as folks lose their jobs. We certainly think that the NSP money will come in handy at this time in the housing market and will hopefully stabilize it.

Grant letters have been sent out for the foreclosure outreach projects that the State Housing Board approved in Breckenridge in October. Not everyone was universally happy with the decisions that were made. Senator Groff had summoned Director Williams to his office to have a discussion about two applicants who did not receive any funds. Senator Groff felt that the two providers that didn't receive funding are very active in his district and that district is very much impacted by foreclosures. Director Williams proceeded to tell him that outreach is very important and certainly welcome any opportunities to look for some additional outreach funds.

Colorado Housing and Finance Authority (CHFA) received \$1.7 million in housing counseling grants that includes outreach funds. DOH has forwarded all of the applications that weren't fully funded to CHFA to see if in fact they might see fit that this would be an appropriate use of their allocation.

APPLICATIONS REVIEWED IN DECEMBER

**Volunteers of America Colorado Branch
VOA Living Center**

Project Number: 07-054

Project Manager & Address: Dianna Kunz, Director
Volunteers of America Colorado Branch
2660 Larimer Street
Denver, CO 80205
720-264-3320
dlkunz@voacolorado.org

Project Address: 9901 E. Girard Ave, Denver, CO

Project Description: The VOA Living Center project is collaboration between Volunteers of America, Colorado Branch, and Volunteers of America, National Services. The project is a HUD 811 serving persons with disabilities, in this case primarily women with mental and physical disabilities, most of whom are \leq 30% AMI. The HUD 811 provides a capital advance which is forgiven if the property remains affordable for 40 years. The project also provides an operating subsidy that allows tenants to pay no more than 30% of their income toward housing.

This project was previously awarded \$225,000 for construction costs. However, the Grantee was unable to purchase the land for the original site at 26th/ Lawrence in Northeast Denver and has moved the project to a new location in southeast Denver, resulting in cost savings from cheaper land and lower construction costs.

The project is now located at 9901 E. Girard Avenue in southeast Denver. This infill development will be new construction of one two-story building on a vacant lot that includes 14 one-bedroom/one bath apartment units, and one two-bedroom/one bath manager's apartment unit. The building is

organized with adjacent parking for the residents' convenience, safety and accessibility. The location is close to parks, a library, public transportation, a grocery store, and other retail. Amenities in the proposed building include a community room with a non-commercial kitchen, an entry/lobby lounge a TV Lounge which is also intended for use as an informal counseling space, a central laundry room and a management office.

Staff Recommendation: full funding to re-allocate existing award **Date of Meeting:** 12/9/08

Anarde	Full Funding per Staff Recommendation	Lucero	Full Funding per Staff Recommendation
Gregory	Full Funding per Staff Recommendation	Rosser	Full Funding per Staff Recommendation
Hatcher	Full Funding per Staff Recommendation	Weitkunat	Full Funding per Staff Recommendation
Kelly	Full Funding per Staff Recommendation		

OTHER BUSINESS

▪ Policy Discussions – Teresa Duran

- Edits were made on the policies Teresa drafted up.
 - Due to a shortened meeting, the discussion about funding cycles will be moved to the January.
 - Final adoption of the policies will be in January.
 - Revised policies will be reposted on the DOH website for a final comment period prior to adoption.
 - The SHB has requested that the budget report be done right after the application presentations.
 - The SHB has also requested that at January's meeting, they have a working session prior to the meeting with Toni and Rick regarding the budget and funding cycles.
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The meeting adjourned at 3:58 pm

JANUARY PRESENTATIONS

Delta Housing Authority (DHA) Housing Rehabilitation Program

Project Number: 09-002

Project Manager & Address: Jo Rosenquist, Executive Director
511 E. 10th St., Delta, CO 81416
(970) 874-7266
Fax (970) 874-8612

Project Description: DHA is requesting a \$95,729 grant to fund salary, benefits and overhead for the Single Family Owner Occupied Rehabilitation (SFOO) loan program. This will be the third year that DHA has managed RLF funds from the old WCHDO Rehabilitation and Down Payment Assistance programs released to the State from bankruptcy in March 2006. This grant will cover administrative costs for 12 SFOO loans which will be offered in Delta, Montrose, and Ouray Counties, pending intergovernmental agreements. Montrose and Ouray Counties are in the process of developing entities that will contract with DHA to provide this service in the region.

PROJECT BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Section 1.01 Rehabilitation (12 loans)	\$210,000		\$207,000 \$3,000	RLF Local Match	Committed Committed
Project Administration Rehab Spec - \$46,407 Intake Spec - \$ 2,939 Accounting - \$6,000 Audit - \$1,750 Legal - \$4,000	\$61,096	\$61,096			
Program Administration ED, Staff - \$25,433 Rent & Util. - \$4,200 Travel, Trng - \$5,000	\$34,633	\$34,633			
Totals	\$305,729	\$95,729	\$210,000		

PROJECT ASSESSMENT FOR OWNER-OCCUPIED REHABILITATION

Criteria	Project Data	DOH Range
(a) Rehabilitation Financing		
Value of Current Loan Portfolio	\$1,477,625	
Total # of Loans in Portfolio	64	
# of Deferred Loans in Portfolio	10	
Value of Loans Deferred until Sale or Transfer	\$167,794 11% of Portfolio Value	Up to 25%
Annual Program Income	\$43,062	
Total # of New Loans	12	
New Loans from Program Income	12	
New Loans from CDOH Grant	None	
Maximum CDOH Loan Amount	\$24,999	\$24,999
Loan Terms & Rates	10 years +, 0-6% interest	
Rehabilitation Costs		
Average Rehabilitation Cost	\$9,305	\$9,750 to \$25,000
Average Replacement Cost	N/A	
Average Emergency Repair Cost	N/A	
Market		
Qualifying Household Income	\$26,950-43,100 (Delta, Montrose) \$30,150-48,250 (Ouray)	50%-80% AMI, 4 people
# of Applicants on Waiting List	3	
Geographic Distribution of Projects vs. Population	Delta County 3, Hotchkiss 4, Orchard City 3, Crawford 1	
Program Operations		
Administrative Cost/New Loan	\$7,977	
CDOH Funding Eligibility	HOME, CDBG	

Comments:

- **Management Capacity**

Pro

Delta Housing Authority, Colorado Division of Housing (CDOH) Staff and elected officials and staff from local governments in Delta County developed a process for replacing the Single Family Rehab, and Down Payment Assistance programs, previously operated by the West Central Housing Corporation. The Revolving Loan Funds for these purposes were awarded back to the State in the WCHDO bankruptcy proceedings in March 2006. The DHA and local governments have, by intergovernmental agreement, formed the Delta County Housing Authority, which is advised by the Delta County Housing Task Force, and operated by the DHA. In the last year of operations, the agency completed 10 rehab jobs, with 1 other nearing completion and they are now prepared to accept applications from Montrose and Ouray Counties. They will complete intergovernmental agreements with multi-jurisdictional entities being created in those counties for SFOO.

Con

DHA attempted a DPA program in 2007-2008 and were unable to make any loans. They underestimated administrative and salary costs for both Rehab and DPA.

- **Public/Private Commitment**

Pro

Delta County and Delta have committed \$3,000 in local match funds to the rehab program. Montrose, Montrose County, Ouray, Ridgway, and Ouray County will provide additional local match based on the location of the rehab jobs at a minimum of \$250 per job.

Con – None.

- **Explain Variances from ranges:** None
- **Other Projects funded in Delta, Montrose, or Ouray Counties since 11/07:**
 - Montrose Housing Authority – Montrose County Needs Assessment \$40,000
 - Montrose County Housing Authority Sunshine Peak Annex \$500,000
 - Montrose County Housing Authority VOA Elderly III \$571,696
- **Other Projects funded for applicant since 11/07:** None

Delta County AMI: \$53,900

Montrose County AMI: \$53,900

Ouray County AMI: \$60,300

Staff Recommendation: Full Funding

Date of Meeting: January 13, 2009

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

**Boulder County Housing Authority
Longs Peak Energy Conservation Rehabilitation Program**

Project Number: 09-015

Project Manager & Address: Jim Wilson
Rehab Coordinator
Boulder County Housing Authority
P.O. Box 471
Boulder, CO 80304
(303) 564-2646
(303) 564-2283 fax
jwilson@bouldercounty.org

Project Photos:



Project Address: Various locations in Boulder County (outside of Boulder and Longmont city limits)

Project Description: Boulder County Housing Authority (BCHA) is requesting a CDBG grant for \$250,000 in support of the Longs Peak Energy Conservation SFOO Rehab program. These grant funds will be used to assist with the repair and rehabilitation of (ten) 10 homes by providing low-interest loans to homeowners earning less than 80% AMI. Historically those assisted by the program have fallen under the 50% AMI level. CDOH funds will be used only in the non-entitlement areas of Boulder County.

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Rehabilitation (10 homes)	\$219,288	\$201,775	\$17,513	Program Income	Committed
Project Administration Rehab Specialist Intake Specialist Accounting Staff	\$44,232	\$39,137	\$5,095	Boulder County In-Kind	Committed
Program Administration Program Director Rent, Utilities, Travel and Training	\$20,025	\$9,088	\$5,937 \$5,000	Boulder County In-Kind Boulder Board of County Commissioners In-Kind	Committed Committed
Totals	\$283,545	\$250,000	\$33,545		

STAFF ALLOCATION PLAN

Staff Position	Total Salary & Fringe	% of Time CDOH Boulder County Rehab	% of Time City of Boulder Rehab	% of Time BCHA Housing Rehab	% of Time LPEC Weatherization Programs	% of Time (Other BCHA Operations)	% of Time TOTAL
Rehabilitation Specialist	\$70,654	33%	17%	35%	15%		100%
Loan Intake Specialist	\$56,099	7%	5%		88%		100%
LPEC / Rehab Program Director	\$67,260	5%	2%		93%		100%
Accounting Staff (multiple)	\$257,552	5%	3%		8%	84%	100%
Totals	\$451,565	\$42,500	\$23,888	\$24,729	\$143,121	\$217,327	

PROJECT ASSESSMENT FOR OWNER-OCCUPIED REHABILITATION

Criteria	Project Data	DOH Range
(b) Rehabilitation Financing		
Value of Current Loan Portfolio	\$201,459	
Total # of Loans in Portfolio	29	
# of Deferred Loans in Portfolio	9	
Value of Loans Deferred until Sale or Transfer	\$17,714 7% of Portfolio Value	Up to 25%
Annual Program Income	\$17,513	
Total # of New Loans	10	
New Loans from Program Income	2 / \$17,513	
New Loans from CDOH Grant	8 / \$201,775	
Maximum CDOH Loan Amount	\$24,999	\$24,999
Loan Terms & Rates	1% - 3% (depending on AMI) Maximum Term – 20 years	
Rehabilitation Costs		
Average Rehabilitation Cost	\$8,951 including mobile homes \$14,494 without mobile homes	\$9,750 to \$25,000
Average Replacement Cost	N/A	Ave. Rehabilitation Cost
Average Emergency Repair Cost	Most are mobile homes; less than \$3,000	
Market		
Qualifying Household Income	\$43,500 - \$61,500	50%-80% AMI, 4 people
# of Applicants on Waiting List	2	
Geographic Distribution of Projects vs. Population	Unincorp. Boulder County – 43%/45% Lafayette – 32%/23% Lyons – 14%/2% Mountain Towns – 11%/2% Louisville – 0%/18% Superior – 0%/10%	
Program Operations		
Administrative Cost/New Loan	\$6,426 / Loan	\$2,500 - \$4,500 / Unit
CDOH Funding Eligibility	CDBG, HOME	

Comments:

- **Management Capacity**

Pro:

1. The Boulder County Housing Authority (BCHA) has operated the Longs Peak Energy Conservation (LPEC) SFOO Rehab program in the non-entitlement areas of Boulder County since 2004 and has provided rehabilitation loans to 29 families. This program has historically averaged 7 new rehab loans per year.
2. LPEC has provided weatherization services to Boulder County for 28 years, to Gilpin and Larimer Counties for 10 years, and to Broomfield for 1 year. LPEC has provided rehab services to homeowners in the City of Boulder for 7 years and in the City of Longmont for 4 years.
3. Jim Wilson, the Rehabilitation Specialist, has managed this program since its inception. Of the 29 loans in their portfolio, 20 are amortizing and 9 are deferred with only 1 loan in a late-payment status and no foreclosures.

Con:

1. This program produces less than the minimum 12 loans per year. However, administrative staffing is minimal at only 0.5 FTE. Additionally, CDOH administrative funds are leveraged by Boulder County's in-kind contributions for administrative costs.

- **Public/Private Commitment**

Pro:

1. Boulder County contributes \$5,095 of in-kind staff time and \$5,937 of in-kind operations costs for this program.
2. Boulder Board of County Commissioners has waived administrative fees of \$5,000 from the county general fund in support of this program.
3. Boulder County Public Health has waived \$5,000 in septic system permit fees in support for this program.
4. Weatherization matching funds of \$13,380 provide for additional rehab work to be done thus leveraging the CDOH rehab loan funds.

Con: None.

- **Market Demand**

Pro:

1. An increase in demand for the rehab loan program is expected in 2009 due to Boulder County Public Health's Onsite Wastewater System (OWS) program which requires inspections and upgrades to aging septic systems upon transfer of the property.
2. In 2009, the City of Eldorado Springs will begin the conversion to City water and sewer and it is anticipated to increase the demand for loans from low-moderate income homeowners.
3. LPEC markets this program on radio stations and through social service providers. Flyers are available in both English and Spanish.

Con: None.

Explain Variances from ranges:

- The cost per loan is higher than the CDOH range. This range will be updated in 2009.

Other projects funded in Boulder County since 1/08:

- 5/08 – Thistle Community Housing, Cannery Apts., grant \$750,000
- 4/08 – City of Longmont, Down Payment Assistance, grant \$112,054
- 2/08 – Emergency Family Assistance Association, Shelter, grant \$ 70,000
- 1/08 – Longmont Housing Dev. Corp., Hover Crossing, grant \$400,000

Other projects funded for Boulder County Housing Authority (applicant) since 1/08:

- None.

Boulder County AMI: \$87,000

Staff Recommendation: Full Funding

Date of Meeting: January 13, 2009

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			